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September 7, 2005

John F. Carter, Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

Re: FDIC Application #20051977 – Wal-Mart Application for Insurance and
Industrial Bank Charter

Dear Mr. Carter:

The possible emergence of Wal-Mart into the business of banking sends a collective shiver through the community bankers of America. The mixing of commerce and banking, impartial allocation of credit, economic concentration, regulatory supervision, conflicts of interest and community disinvestment merely skim the surface of issues which must be addressed.

The foundation of the United States' financial and economic system is the principle of the separation of banking and commerce, which was reaffirmed by Congress in the Gramm-Leach-Bliley Act. The Wal-Mart application presents a prime example of the dangers of concentration of resources and impaired credit availability from allowing a commercial company, and in this case, a corporate giant, to join the banking arena.

Because of the common experience of many communities, whose local merchants have had to close their doors in the face of Wal-Mart's overpowering competition, we would be forced to face the potential threat of the same thing happening to many of our financial institutions. The adverse repercussions could indeed become a reality if the world's largest commercial company is permitted access.

I urge FDIC to reject Wal-Mart's application and to further protect the community banking system, its depositors and taxpayers.

Sincerely,

H. L. Baker, Jr.
President and Chairman of the Board

HLB:njf